CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE

October 19, 1998

H.R. 930
Travel and Transportation Reform Act of 1998

As cleared by the Congress on October 5, 1998

H.R. 930 would require that federal agencies verify travel and transportation bills for accuracy prior to payment and that employees use a government charge card for official travel. In addition, the legislation would allow agencies to reimburse employees for certain tax liabilities and conduct test programs for paying travel and relocation expenses. Overall, the act would reduce federal travel costs—which are largely paid out of appropriated funds—by about $25 million a year. However, it would increase direct spending by less than $1 million in fiscal year 2000 and by $3 million each year thereafter, as shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	1	3	3	3	3	3	3	3	3
Changes in receipts	Not applicable									

H.R. 930 would increase direct spending by reducing the amount of overcharges that the General Services Administration (GSA) recovers under current law by auditing payments made by agencies for travel and transportation services. These recoveries are recorded as offsetting receipts, and GSA's outlays for this purpose are direct spending. Over the 1993-1997 period, GSA's recovery of overpayments for the federal government exceeded its expenses to pay for and administer audit contracts by an annual average of about $4 million.

GSA's recoveries would decrease because the legislation would require federal agencies to verify travel and transportation bills for accuracy prior to payment. Thus, agencies, which can retain and spend such funds, would prevent many of the billing errors now detected by GSA. CBO expects, however, that GSA would reduce the size and scope of its staff responsible for overseeing the audit contracts, which would counterbalance some of the decrease in offsetting receipts. Because the requirement that agencies audit bills prior to payment would not take effect until 18 months after enactment of H.R. 930, CBO estimates that the net increase in direct spending would amount to less than $1 million in fiscal year 2000 and about $3 million each year thereafter.

In addition, H.R. 930 could affect spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Office of the Comptroller of the Currency. CBO estimates that such effects would not be significant.

The CBO staff contact is John R. Righter. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Anaylsis.